



Department of Justice

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JUSTICE DEPARTMENT APPROVES PEOPLES HERITAGE'S PURCHASE OF CFX AFTER PARTIES AGREE TO DIVESTITURES IN NEW HAMPSHIRE

WASHINGTON, D.C. -- The Department of Justice reached a settlement today with Peoples Heritage Financial Group Inc. that will allow it to go through with its proposed purchase of CFX Corporation, as long as it agreed to divest three branch offices located in Concord and Hillsborough, New Hampshire, with total deposits of \$124.8 million.

The agreement resolves Department concerns that the merger would lessen competition for banking services in New Hampshire.

"This divestiture ensures that small businesses and other consumers will continue to receive the most competitive loan rates and best banking services," said Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division.

According to the settlement, Peoples Heritage agreed that it would not take steps to preclude other financial institutions from leasing or purchasing any bank branches that it may close due to consolidation resulting from this merger. The three branches and associated loans and deposits that Peoples Heritage will divest will be sold to a competitively suitable buyer, upon regulatory approval.

Additionally, the Board of Governors of the Federal Reserve System will require that an additional two offices be divested in Manchester, New Hampshire, with total deposits of approximately \$51 million.

Peoples Heritage Financial Group, Inc., is based in Portland, Maine, and has 142 branches located throughout Maine, New Hampshire, and Massachusetts. It has \$4.3 billion in deposits and \$6.1 billion in total assets.

CFX Corporation is based in Keene, New Hampshire, and has 56 branches located in New Hampshire and Massachusetts. It has \$2.8 billion in total assets and total deposits of \$1.9 billion.

The Department said it will advise the Federal Reserve Board that, subject to divestiture of the branch offices and associated loans and deposits, the Division will not challenge the acquisition.

The proposed transaction is subject to the approval of the Board of Governors of the Federal Reserve System.

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